GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:7921
ANSWERED ON:17.05.2000
MECON COMPANY
BRAJ MOHAN RAM

Will the Minister of STEEL be pleased to state:

(a) whether the functioning of MECON Company situated at Ranchi in Bihar is satisfactory;

(b) if so, the details of profit earned and losses suffered by this company during the last three years; and

(c) the steps likely to be taken by the Government for the expansion of this company to make it profitable ?

Answer

MINISTER OF STATE FOR STEEL

(SHRI DILIP RAY)

(a) & (b): The functioning of MECON Limitedhas been adversely affected due to a slow down in the steel sector. The details of profit earned and losses suffered by MECON Limited during the last three years is as under:

(Rs. in crores)

Year		
1997-98 (Provisional)	1998-99 Profit/Loss	1999-2000
3.17	(-) 11.17	(-) 27.16

(c) Government is not likely to take any steps for the expansion of the Company. However, following steps are being taken to increase the profitability of the Company:

i) Downsizing of the company by giving Voluntary Retirement

ii) Diversification of MECON into non-steel areas like :-

- Infrastructure(Water supply, roads, ports, flyovers)
- Material Handling
- Power
- Environmental Engineering
- Ocean Engineering
- Oil & Natural Gas/Petro-Chemicals
- Defence
- Space
- Nuclear Power

iii) Restructuring of the organisation by creating `Lines of Business` in a phased manner with orientation to specific market segments to ensure greater thrust.

iv) Economic measures introduced to cut down non-value adding costs and reduce expenditure.